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ABSTRACT

In high school distributve education classes the selling function is usually interpreted as it relates to retail sales. The industrial sales representative, however, must act on his own in the field, making decisions without consultation with his superiors. As the total distributive education program grows in sophistication, there is a need to provide curriculum materials for the young person who may be interested in indistrial selling. This document presents decision-making exercises developed for the advanced distributive education student who has already completed courses in basic selling and other marketing functions. The material is broken down into separate exercises or modules. Completion time for each will range from one class period to a week. Each exercise includes a decision situation, objectives and activities, pre- and post-tests, and teacher data. The teacher-coordinator may evaluate the student or discuss the exercise after the student's self-evaluation. (MF)

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ED112240

INDUSTRIAL SALES

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Decision Making

CE005265

INDUSTRIAL SALES DECISION-MAKING

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Introduction

Very little teaching material has been developed dealing with outside or industrial selling. What has been done has to do with sales management as opposed to the daily activities of the industrial sales representative.

In high school distributive education programs the selling function is interpreted as it relates to retail sales. Though there are some similarities between industrial sales and retail sales, there are many major differences.

In general terms, the greatest difference has to do with the industrial sales representative acting on his own in the field, making his own decisions based on his best judgement and without the benefit of on-site consultions with his superiors. To find such a person and develop these characteristics can be difficult.

It is unfortunate that a number of large corporations have set as a criteria for appointment to their sales force the completion of a college degree. These same companies in some instances will vacillate establishing their "college degree only" policy, then discontinuing it and then reinstating it once more. It appears that there is no assurance that a college degree will guarantee the mature thinking and careful attention to planning that is required of today's industrial sales representative.

In short, there are opportunities for graduates of high school distributive education programs in outside sales work. Certainly such positions must be earned and earning them may be difficult due to some of the biases already mentioned. But, formal higher education need not be considered

mandatory. Industrial selling is an occupation which pays off handsomely for results. These "results", measured in sales volume are the culmination of careful planning, long hours, perseverance, and motivation. Not all of these factors have to be acquired in a university setting.

As the total program of distributive education continues to grow in sophistication, there seems to be a need to provide some type of curriculum materials for the young man or young woman who may be interested in industrial selling.

The following decision-making exercises were developed specifically for the student who is interested (or thinks he may be interested) in industrial sales. Such a student should be an advanced D.E. student, having already completed coursework in basic selling, marketing principles, buying, advertising and similar marketing functions. Therefore, these exercises were not meant for all D.E. students and particularily not beginning students in the program.

Students may wish to work on these assignments individually or in small groups. In fact, the exercises were developed for the distributive education student who is used to working on his own and enjoys independent study.

Students should, if at all possible, interview an industrial salesperson and seek his counsel in working out the various exercises. Such a resource person could be a sales representative who regularily calls on the D.E. student's training sponsor, a willing member of the local chapter of Sales, Marketing Executives International, or an interested neighbor or relative who makes his living as an industrial sales representative. Sales people, by their nature, are extroverts. They enjoy talking about what they do for a living. It is doubtful that a young student would have difficulty communicating with an industrial sales representative.

The major intent of these exercises then is:

a) to illustrate by example some of the day to day activities of an industrial sales person.

b) to create simulated experiences (based on real world responsibilities that exist in industrial selling) to enable the distributive education student to determine his interest in industrial sales.

c) to indicate to the distributive education teacher-coordinator those students who develop enthusiasm and initiative to want to explore further - careers in industrial selling.

Mechanically, the material is broken down into separate exercises or "modules". Each can be considered independent of the others. Some are more difficult than others. The completion time will vary from one class period to a weeks work. The white pages are primarily student oriented with the yellow pages the "answer" sheets. The teacher-coordinator may choose to evaluate the student using the yellow sheets or discuss the exercise after the student has had the opportunity for self evaluation using the yellow sheets.

The writer would welcome the user's comments, suggestions and criticism regarding the value of this material. In fact, further development of similar materials of this type will depend on such feedback.

Tom Hephner

Decision:

Which company should I work for?

Objectives:

You will be able to list and explain five reasons (decision factors) that you would consider in selecting a company to be your employer.

After comparing the positive and negative factors for each of three available jobs, you will be able to select the job best suited to your abilities and interests.

Pre-Test
Post-Test

On a separate sheet of paper, list and explain in detail five considerations (decision factors) that you would use in determining which company that you would accept employment with as an industrial salesperson.

Decision Situation

Listed below are three companies currently hiring industrial salespeople - you have been interviewed and offered a job as an industrial salesperson by each of the three companies.
You have promised each company that you would make your decision within the next three days.

After a careful reading of each company's profile, you will complete the attached "Decision Aid #1". This exercise is designed to help you arrive at your final employment decision.

Profile #1 Supreme Manufacturing Company ...

a) history: started in 1950, owned and controlled by Burdette family. The Burdette family members hold all the top-management positions. The home office is in New York City with sales offices in 25 major cities across the nation.

b) product line: ladies clothing, one of the largest manufacturers in the United States. Total annual sales are over $35 million. They produce a complete line of women's wear. The product-line is classified as middle - to low price range.

c) sales force: Thirty-five salespeople contact over fifteen-hundred accounts. Salespeople work on a straight-commission plan with liberal expense accounts. Company car, hospitalization and insurance furnished by the company. The average salesperson earns $18,000 per year. Supreme is a national company with sales representatives covering all of the 50 states.

Profile #2 Electronics Engineering Inc.

a) history: started in 1965, a small company growing rapidly. Electronics Engineering is a public corporation listed on the New York Stock Exchange. The main office is in Chicago with major sales offices in New York and Los Angeles.

b) product line: Electronics Engineering is a national company specializing in data processing and similar electronic storage and retrival systems for business and industry.

c) sales force: Fifteen salespeople are currently employed selling the company's services and supervising the installation of the company's products. Salespeople work on a salary plus commission plan averaging about $22,000 per year income.
While is is not necessary to be a graduate engineer, about one-half of the company's salespeople hold engineering degrees with most of the other salespeople having had some college experience.

Profile #3 Cramer's Canned Foods

a) history: Cramer's is an old established grocery wholesaler. The company was started by two partners in 1910. They still hold the top executive positions with the company.

b) product line: Cramer's has a reputation for quality. They distribute only name brands on which they hold exclusive territorial franchises for distribution. Annual sales total $40 million with sales declining in recent years from a high of $62 million.

c) Fifty salespeople cover thirteen eastern states servicing over 6,000 accounts. The average salesperson earns $15,000 paid on a straight salary plan. Within five years Cramer's will lose twelve of their present salespeople as a result of retirement. Company car, hospitalization and insurance plans are furnished for all salespeople.

DECISION AID #1	DECISION FACTORS 7				
	(FILL IN DECISION FACTORS 1-5 BELOW) RATE THE IMPORTANCE OF EACH FACTOR- GOOD, AVERAGE, POOR, NO INFORMATION- AS IT APPLIES TO EACH OF THE COMPANIES				
	1)	2)	3)	4)	5)
1) SUPREME MFG. (LADIES WEAR)					
2) ELECTRONICS ENGINEERING (DATA PROCESSING SYSTEMS)					
3) CRAMER'S CANNED FOODS (GROCERIES)					

Additional Activities

a) School:

1) Research marketing and salesmanship textbooks to determine the reasons (decision factors) that industrial salespeople consider when they are making a decision as to which firm to work for.

2) Interview faculty members and/or the Distributive Education Coordinator, who may have had outside selling experience to determine what factors they considered in seeking employment as an outside salesperson.

b) Community:

1) Contact the nearest chapter of Sales, Marketing Executives to obtain literature describing the career opportunities for an outside salesperson in today's business world.

2) Interview an industrial salesperson in your community in an effort to find out the considerations that an industrial salesperson must make in deciding which company he should work for.

3) Obtain the addresses of the home offices of the following companies from your local library: Proctor and Gamble, R. J. Reynolds Tobacco, Reynolds Aluminum and Campbells Soup Company.
Write to their Personnel departments to determine: qualifications for prospective sales representatives, the products sold by their sales representatives and the characteristics of their customers.

Teacher Data

PRE-TEST/POST-TEST KEY

1) LIST & EXPLAIN 5 CONSIDERATIONS (DECISION-FACTORS) that you would make in determining which company you would like to work for as an industrial salesperson.

a) FUTURE OPPORTUNITIES

1) PROMOTION - Does a young person have a chance?
Is there room at the top?
What is the companies record for promotions?

2) COMPANY GROWTH - Is the company growing?
Is the industry growing?
What is the company's competitive position?

3) SALESPERSON TURNOVER - How long have the present salespeople been with the company?

b) SALARY & BENEFITS

1) SALARY PLANS - Exploring the advantages and disadvantages of different salary plans.
If the salesperson increases his sales will the company respond with increased wages?

2) BENEFITS - Hospitalization insurance, life insurance, company car, expense allowance

c) PERSONAL INTEREST & ABILITY - Does the young person have a genuine interest in the product or service?

Does the product or service require a technical knowledge or background?

Can the young person grow in the job or must he have the interest and ability entering the job?

d) LIFE - STYLE

How wide a territory will each salesperson cover?

How many accounts does each salesperson have?

How often will the salesperson change residences?

How much entertaining is involved and who pays for it?

e) EDUCATION & TRAINING

Is there a training program?

Will further education be required? Will the company provide the time and money for further education?

Will promotion and/or salary increases be dependent on the completion of additional training and/or further education?

DECISION AID #1	DECISION FACTORS 11				
TEACHER'S KEY	(FILL IN DECISION FACTORS 1-5 BELOW) RATE THE IMPORTANCE OF EACH FACTOR- GOOD, AVERAGE, POOR, NO INFORMATION- AS IT APPLIES TO EACH OF THE COMPANIES				
	1) FUTURE OPPORTUNITIES	2) SALARY & BENEFITS	3) PERSONAL INTEREST & ABILITY	4) LIFE STYLE	5) EDUCATION AND TRAINING
1) SUPREME MFG. (LADIES WEAR)	AVERAGE (MAYBE POOR) DUE TO FAMILY OWNERSHIP	GOOD $18,000 STRAIGHT COMMISSION	(DEPENDS ON STUDENT) THIS COMPANY MAY NOT APPEAL TO MALE STUDENTS	NATIONAL COVERAGE COULD BE A MOBILE JOB	AVERAGE
2) ELECTRONICS ENGINEERING (DATA PROCESSING SYSTEMS)	a) GOOD - YOUNG COMPANY IN GROWING FIELD b) MAY BE LIMITED WITHOUT FURTHER EDUCATION	GOOD SALARY & COMMISSION $12,000	SPECIALIZED TECHNICAL AREA	NATIONAL SMALL NUMBER OF SALES PEOPLE COULD MEAN EXTENSIVE TRAVEL	GOOD - MAY BE REQUIRED TO GO BACK TO SCHOOL
3) CRAMER'S CANNED FOODS (GROCERIES)	POOR UNLESS PRESENT MANAGEMENT STEPS DOWN	AVERAGE $15,000 STRAIGHT SALARY	(DEPENDS ON THE STUDENT)	REGIONAL DISTRIBUTION	AVERAGE

ADDITIONAL TEACHER DATA

1) This Decision Situation is primarily an individual activity.

2) The student is directed to go beyond the basic knowledges required in seeking employment, i.e., job interview, completing a resume and personal interviewing.

   This activity is designed to teach the student the all-important subjective analysis one must conduct in arriving at a decision as to which company affords him the greatest personal opportunities for success.

3) The student must gather facts about his prospective employers, analyze them and try to determine how compatible these facts are with his own personal attitudes and values. It is largely a subjective process.

4) The teacher can best guide the student in his thinking by making certain that the process of gathering this information is thoughtful and accurate. He must also subjectively determine whether the student has logically arrived at a tentative decision based on the information gathered.

5) The information presented here may be a small part of what is available. The student's data may differ from what has been given here. Again, it is the process that is primary and his evaluation should be based on his logical conslusions.

Decision:

Where can I find information about my product line?

Objectives:

You will identify six printed sources of merchandise information and four resource people who could provide merchandise information for your use.

Following the attached format you will compile a merchandise information sheet on a product of your choice suitable to include in an outside sales representatives catalogue.

Pre-Test
Post-Test

Identify six different sources of printed product information that you would consult in an effort to learn the product information necessary to sell it.

List 4 different people who would be sources of product information to help you gain knowledge about a product or product line.

Decision Situation #1

You have just been told by your sales manager that you will be selling a new product line. Regretfully, there is no current product information available at this time due to a shortage of printed information from the manufacturer.

Nevertheless, you have been asked to immediately begin to accumulate product information from as many different sources as you can find.

List below the courses of product information that you would investigate in completing the assignment for your sales manager.

Printed Material

1)

2)

3)

4)

5)

6)

Individuals

1)

2)

3)

4)

Decision Situation #2

The data sheets for the new product line have still not arrived and your company needs to get some information in the catalogues for salespeople and customers.

The sales manager has indicated that a very lucrative bonus may be paid to the salesperson who can do the best job of compiling a product description sheet.

Using a product that you are currently selling or one that you are familiar with - complete the following product data sheet following the format below.

Product Name

Local Source:

Manufacturer:

General Description of Product

Size:

Weight:

Shape:

Available Colors:

Technical Properties

Materials Used For Construction:

Electrical Requirements:

Special Properties:

Capacity:

Warranties and/or Guarantees:

Product Development
History of Company and/or Producer

Instructions for the Proper Care of the Product:

Important Selling Features:

Price
Discounts Applying:
Credit Terms:

Delivery:

Other Critical Information:

Additional Activities

a) School

1) Class members will divide into two groups and play "Know Your Info" - See instructions following this section.

2) Class members may wish to assemble a bulletin board illustrating today's products as they are described in today's mail-order catalogues compared with the same products as they might have been described at the turn of the century.

(Reprinted copies of early mail order catalogues are obtainable in paperback at bookstores or your local library).

b) Community:

1) Interview the director of your local Better Business Bureau to determine what role the description of the product plays in misleading or false advertising.

2) Two volunteer class members may want to debate the question, "A salesperson who can master product knowledge can successfully sell any product."

The most convincing presenter can be determined by polling the class.

"Know Your Info"

"Know Your Info" is a gaming exercise designed to accomplish the following objectives:

The student will recognize the importance of stating product information when he is able to identify the product described from a brief catalogue description.

The student will give two examples of each of the criteria used in communicating product information. These criteria include: short descriptive words and phrases, maximum brevity and appealing to the customer's buying motives.

By participating in the game, the players will appreciate the importance of describing a product in a simple manner that appeals to the potential customer.

Directions for Playing

1) The class will divide into two teams (Team 1 and Team 2).

2) Each team will select at random 10 "Info" cards. (attached)

3) A representative of team one will read the information given on an "Info" card only to the first line on the card.

4) At this point any member of team two who feels he knows the product being described may respond. If the team two member is correct team two receives three points. Only one response is permitted by team two.

If that response is incorrect the second portion of the "Info" card is read aloud by the team one member. Again only one response is permitted by team two. (Team two members may elect to choose a different respondent each time until everyone has had a turn.) If the team two response is correct, two points are awarded to team two.

If the second response is also incorrect, then the third and final portion is read. A correct answer to the third portion is awarded 1 point. An incorrect answer gives zero points to team two for that round.

5) After team two has had a chance to respond, then the process is reversed with team two reading from one of their "Info" cards to team one.

6) The first team to score 25 points wins.

7) The teacher or class members may wish to make up additional "Info" cards from mail-order catalogues.

8) An alternate plan might be to subtract penalty points from team scores for wrong answers.

9) Answers to the product descriptions and the source of each description is given on the reverse side of each "Info" card.

10) The sources for "Info" cards used for this exercise are:

J. C. Penney
Spring and Summer Catalogue
1973

Sears
Spring and Summer Catalogue
1973

Curved legs give knee room (3) Adjustable front foot keeps board level. (2) Rear rollers. Ventilated steel top, tubular legs (1)	Sturdy fiber and aluminum frames (3) Has two gusseted pockets outside (2) Has zippered pocket on back (1)
Full-grain, oil tanned leather uppers resist soil, acids, and moisture (3) Padded collar covered with soft glove leather (2) Oil resistant rubber soles and heels won't mark floors (1)	Feature the immortal mice made famous by Walt Disney Productions (3) Chrome-plated base metal case (2) Unbreakable main spring white dial has full color figure with moving arms (1)
Air-powered louvers sweep air from side to side (3) Keep cool air circulating (2) Three fan speeds fast for quick cooling, medium for normal operation and low for quiet cooling (1)	Spreads heat evenly and quickly (3) Skillet and chicken fryer of extra-thick 10 guage aluminum (2) Slightly flared edges help give tight seal keep moisture and flavor in food (1)
Instant sound and picture in seconds (3) From 62% solid state (25,000 volt) chassis (2) One button color for a color balanced (185 square inch) picture at the push of a botton (1)	Full Leather construction lining deep well pocket (3) High pocket web for added strength and ball control (2) Laced double action heel, padded adjustable wrist strap (1)
Two fiber-glass belts (3) Two plies of strong polyester cord (2) Polybutadrene rubber tread, smart white striped sidewall (1)	Reciprocating double-action 16" long blades (3) With rust resistant coating, stop brushes help prevent motor from burning out (2) Controls are located in handle, blue plastic housing, black plastic grip (1)

Lightweight Luggage J.C. Penney pg. 502	Proctor Ironing Table J.C. Penney pg. 801
Mod Watches Sears pg. 161	Work Shoes Sears pg. 329
Aluminum Cookware Sears pg. 754	Air Conditioning Sears pg. 787
Catcher's Mitt (Baseball Glove) J.C. Penney pg. 604	Portable Television Sears pg. 813
Electric Hedge Trimmer J.C. Penney pg. 673	Tires J.C. Penney pg. 621

Heavy-duty vinyl bag with needle-type... (3)	Choice of steel or aluminum... (3)
Rubber bladder and lacing mounted... (2)	6 1/4 x 8 3/4 x 18 3/4 inches long... (2)
On resillient steel spring rod. (1)	Galvunized for rust-resistence (1)
3 1/4" speaker, 4-position switch... (3)	Wrap-around construction eliminates all sharp edges... (3)
For play, stop, rewind and fast forward (2)	Welded seams mean lasting strength (2)
Push button recording control, volume control, automatic shut off when tape ends (1)	Doors have concealed hinges and nylon catches (1)
Stretch nylon knit, a pull on style (3)	With cast-iron 12 horsepower craftsman engine plus solid state ignition (3)
White binding edges front scoop neckline and the deep scooped out back (2)	Safety key lock electric starts (2)
Also edges all-around skirt white bows at side slits (1)	Won't operate unless mower is disengaged (1)
Wider-rib knit of stretch nylon (3)	Pulverizer blade, hold days dishes for family of 4 or 5 (3)
Set-in short sleeves (2)	Upper roto-rack and lower slide outrack vinyl coated (2)
Self binding reinforces neckline that scoops low in front, high in back. Elasticized leg openings (1)	Sani-temp rinse delays until water temp reaches 150 degrees (1)
Extra-responsive, extra cutting power, twist-tight binding with foam lining (3)	Tunic of chestnut brown and white jacuard-patterned knit (3)
Full Length tunnel, concave bottom, beveled edge for extra performance to hold in turns (2)	The collar and the button-on belt match the chestnut brown crepe-textured knit pants (2)
Solid ash core, full length melamine spline in-laid wood trim (1)	Tunic is pullover-style with a front zipper opening (1)

Ranch or Rural Type Mailbox	Punching Bag Set
J.C. Penney pg. 689	J.C. Penney pg. 587
Steel Kitchen Cabinets	Cassette Tape Recorder
J.C. Penney pg. 1136	J.C. Penney pg. 218
Lawn & Garden Tractor	One-Piece Swim Suit
Sears pg. 556	Sears pg. 45
Dish Washer	Body Suit
Sears pg. 768	Sears pg. 179
Textured Pants Outfits	Slalom Water Skies
Sears pg. 80	J.C. Penney pg. 598

Teacher Data

Pre-Test/Post-Test Key

Printed Sources

1) Hand tags
2) leaflets
3) price tags
4) packaging
5) manufacturers literature
6) printed advertising
7) trade journals
8) guarantees/warranties
9) printed materials from trade associations

Individuals

1) customers
2) fellow salespeople
3) other sales representatives
4) competitors
5) managers/supervisors
6) anyone who is a consumer of the product

An additional source of merchandise information not fitting either category given here would be: the merchandise itself.

Decision Situation #1 - See above Pre-Test/Post-Test Key

Decision Situation #2 - Subjective analysis - the teacher should evaluate the exercise relating the information to the data gathered.

Decision:

How can I Translate Product Information

Into Sales Success?

Objectives:

Given a product description sheet, you will be able to translate ten product features into customer benefits.

In a role-play sales demonstration, you will respond to a minimum of three sales objections by giving the appropriate product feature to overcome each customer objection.

You will feel strongly about the importance of accurate and convincing product information as a critical component of a successful sales presentation.

Pre-Test

Post-Test

1) Using the attached product description sheet "DuKane Cassette AV Matic, list ten features of the product. Translate each feature into a customer benefit.

2) Demonstrate the proper use of three features of the "AV Matic" in overcoming three objections voiced by a customer in a role-play sales demonstration.

3) Describe verbally the importance of product information in a sales demonstration.

Decision Situation #1

At a recent sales meeting of Superior Audiovisual sales representatives, it was announced that Superior has agreed to sell and service audiovisual equipment manufactured by the DuKane Corporation, located in St. Charles, Illinois.

The DuKane product that you will be selling to your customers is the DuKane Cassette A-V Matic. You have the product description sheet in your catalogue and have been urged to study it carefully.

As a first step in analyzing the product prior to an actual sales presentation to a customer you have been asked to work up a features - benefits product analysis and present it either to your sales manager (teacher) or your fellow salesman (class members).

Use the following format in preparing your analysis:

Product: DuKane, Cassette A-V Matic

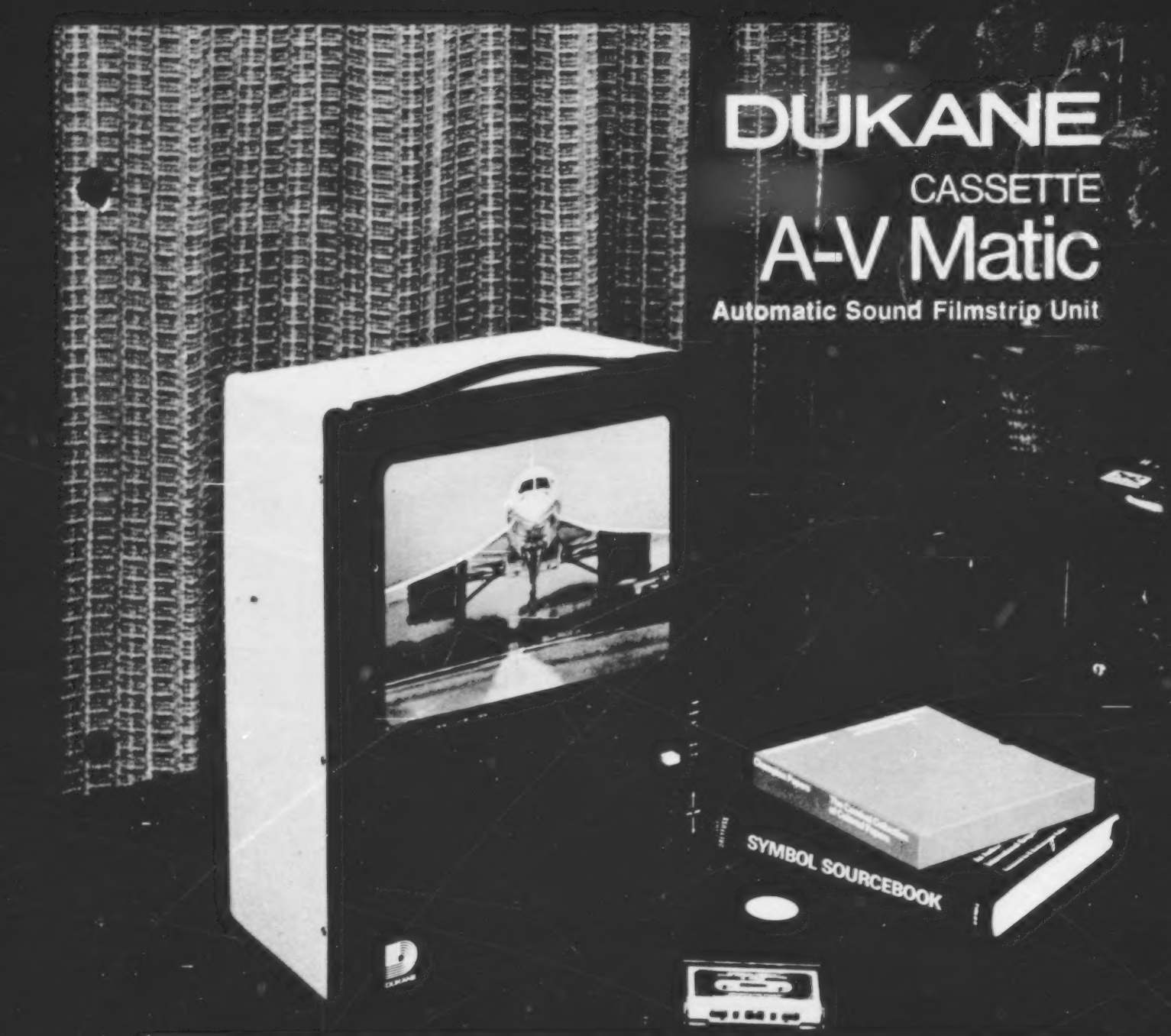
Features	Benefits
Determine these from your product description sheet.	State the feature in terms of <u>what</u> <u>it</u> <u>will</u> <u>do</u> for the customer.

DUKANE

CASSETTE

A-V Matic

Automatic Sound Filmstrip Unit



For individual or small group instruction

DUKANE

CASSETTE A-V Matic

Automatic Sound Filmstrip Unit

Quick and easy film loading with built-in takeup and fast rewind. Excellent for individual or small group instruction, the A-V Matic is an automatic sound (or silent) filmstrip projector with built-in screen and a cassette player—all in one. Pictures are brilliant and clear, even under bright lights. In classrooms it can be used for previewing, self-study, testing, remedial work and dozens of other applications. The A-V Matic is extremely useful in the library, instructional material centers, and study carrels. Electronic learning labs find the A-V Matic ideal for testing, research and review.

CASSETTE A-V MATIC Model 28A1

GENERAL FEATURES

COOL OPERATION—LOW VOLTAGE, LONG LIFE LAMP

EASY FILM LOADING—Automatic threading, with film enclosed during use. Fast forward and rewind of filmstrip with one simple control.

SOLID STATE CIRCUITRY—Totally transistorized. Gives long hours of trouble-free operation. Easier to maintain and service.

AUTOMATIC OPERATION—Recorded inaudible signals automatically synchronize visuals with sound.

PROGRAM HOLD CONTROL—Sound and picture stop and start instantly, at any time.

BRILLIANT IMAGE—Bright, clear picture in full lighting.

PERFECT FOCUS—Pictures stay in focus at all times.

GENERAL SPECIFICATIONS

OPERATION—Automatic picture change or manual push-button advance.

FILMSTRIPS—Standard 35mm single frame. Automatic takeup.

TAPE—Plays cassette loaded tape up to 30 minutes per side.

SOUND—3″ x 5″ speaker below the screen. Front panel earphone receptacle.

SCREEN—10½″ x 8″ high brilliance non-glare acrylic screen, rear projection.

POWER—120 volt, 60 Hz. 3 wire cord.

SIZE—11″ x 13″ x 18″. Weighs 17 lbs.

CASE—Durable, scuff-proof.

WARRANTY—One-year warranty available through nationwide network of authorized DUKANE service stations.

Accessories

PROJECTION LAMP
No. 456-62

HEADPHONES
No. 7A840

4 HEADPHONE DISTRIBUTION BOX
No. 8A100

REMOTE CONTROL CORD
No. 200-56

FOOT SWITCH CONTROL CORD
No. 110-1196

COVER
No. 128-35

FREE—
Educational Sound Filmstrip Directory

For quick-reference listing of sound filmstrips for your DUKANE audio-visual equipment. Write:

DUKANE CORPORATION Audio Visual Division
Dept. 1 St. Charles, Ill. 60174

DUKANE CORPORATION | AUDIO-VISUAL DIVISION
2900 DUKANE DRIVE | ST. CHARLES, ILLINOIS 60174

Form No. 9431-J-74 Printed in U.S.A.

FEATURES	BENEFITS
1.	1.
2.	2.
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10.	10.

Decision Situation #2

When you have successfully analyzed your new product and have confidently planned your first sales presentation, you check with your sales manager to find out what the pricing, terms of sale and delivery will be.

Your sales manager has indicated the following terms of sale will apply to all DuKane Cassette A-V Matic orders received in the first 30 days of sales.

Price: 1-5 Units - $275.00 less 20% discount

6 or more units - $275.00 less 20% & 5% discount

accessories - as priced on manufacturers sheet

1--------terms of sale 2/10, n/30

1--------delivery - immediate within ten days of receipt of order. Job destination

1--------service - to introduce the DuKane Cassette A-V Matics all customers who purchase the machine within 30 days will receive free service (parts and labor) for the first 6 months after delivery.

Your first sales presentation is planned. You will call on Mr. Scott, Business Manager for the Southfield School System. The following presentation takes place:

(During this presentation you will be role playing the part of an industrial sales representative selling the DuKane Cassette A-V Matic. Here are some suggestions to help you.)

1) Check with your school A-V Director to see if you have the A-V Matic or a similar piece of equipment in your school so that you can borrow it and demonstrate it to your customer.

2) Select a classmate to play the role of Mr. Scott. Make an additional copy of the script so you both will have a copy. Do not prepare your answers prior to the presentation. Answer them as best you can as they are asked.

3) Tape the presentation (either audio or video tape) for later playback and evaluation.

Sales Presentation to Southfield School System

Mr. Scott
Business Manager

Sam Sales Rep (that's you): How are you Mr. Scott?

Mr. Scott: Just fine, Sam - What do you have for me today?

Sam: Something I know you're going to be very interested in.

Mr. Scott: Oh, what's that?

Sam: (You're on your own!)

Mr. Scott: That is interesting - What about those tape cassettes? How good are they really?

Sam: ---

Mr. Scott: O.K. What about this automatic operation feature - how does that work?

Sam: ---

Mr. Scott: Well, what we need is a unit like this that can be used in a lighted room. All of our present machines have to be used in a darkened room. What about it?

Sam: ---

Mr. Scott: That looks pretty good. What else can you tell me about this model?

Sam: ---

Note to participants:

Don't be too concerned if you wander from the script. Relax and say the things you honestly feel the participants would say in an actual sales situation. This is a real product and the situation is very real (based on the author's actual experience).

PRE-TEST/POST-TE
TEACHER'S KEY 1)

Product: DuKane Cassette A-V Matic

ALSO Decision Situation #1

FEATURES	BENEFITS
1. automatic operation	1. convenience of operation for the user, automatic operation insures perfect synchronization between picture and sound - no embarassing foul-ups.
2. tape cassette	2. saves the user money, it is more mobile easy to carry, faster to load and unload.
3. program hold control	3. can stop the presentation at any time for taking notes, discussing a point or simply to interrupt. The user has complete contro at all times.
4. simplicity of operation	4. ease of operation enables the user to gain precious time and not have to contend with time-consuming mistakes in threading or similar malfunctions.
5. brilliant sharp pictures	5. eliminates the inconvenience and time spent in darkening the room, brilliancy of pictur lets the audience learn and enjoy the pre-sentation to a greater degree.
6. quality sound	6. transistorized sound lessens the chances for expensive and inconvenient repair bills - makes the machine more reliable.
7. push-button filmstrip advance	7. enables the user to preview his presentatio or to adapt for manual presentation program location of push button is convenient and easy to find in the dark.
8. redi-wind	8. makes the film easier to remove, lessens the chance of damage and keeps the film cleaner - all saving money for the user and providing more effective usage.
9. easy to carry	9. doesn't tire you out transporting it - more convenient provides identification for tape controls.
10. stylishly designed	10. attractive design blends in well with a classroom or office, adds prestige to your personal image.

PRE-TEST/POST-TEST
TEACHER'S KEY - 2)

ALSO
Decision Situation #2

Sales Presentation

(After introductory remarks)

Mr. Scott: Oh. How's that?

Sam: (Describes the product generally - not too lengthy - should perhaps stress convenience of the product since this appears to be it's most outstanding feature. He should be alert to any clues as to what the customer's needs are going to be. In a product of this type, he should be prepared to go in to technical information if the customer wants it. Otherwise, avoid technical description at all cost.)

Mr. Scott: That is interesting - What about those tape cassettes? How good are they really?

Sam: (See customer benefit of tape cassette. Stress money saving and convenience. Keep the response short and concise. Let him talk, he's just getting started.)

Mr. Scott: O.K. What about this automatic operation feature - how does that work?

Sam: (See customer benefit of automatic operation. Stress quality and the satisfaction of a flawless presentation that the DuKane will give the customer. If he responds well here, he may be a quality - conscious buyer - thereby setting the theme for the remainder of your presentation).

Mr. Scott: Well, what we need is a unit like this that can be used in a lighted room. All of our present machines have to be used in a darkened room. What about it?

Sam: I'm glad you asked that - the high intensity non-glare screen eliminates the need for room darkening. (See further detail under "brilliant sharp pictures" as a selling feature. If this seems to be a major concern of the customer's - dwell on it - since the product obviously has a good answer to this question.)

Mr. Scott: That looks pretty good. What else can you tell me about this model?

Sam: (Mr. Scott wnats to be sold. Analyze thoughtfully the presentation to this point and try to determine if the customer has given you any clues as to what his major buying motives might be. If he has, then take this opportunity to emphasize those features that may be most appealing to the customer.)
(If he has not given specific clues as to his major motives then stress what you think are the strongest features of the product).

Mr. Scott: Sam, one of the problems we have with audio-visual machines is they never seem to work right. Something always goes wrong. Our people can't thread them properly or the picture is always wrong for the sound - things like that. How can you assure me that this machine isn't like all the rest?

Sam: (Mr. Scott has just asked to have the machine demonstrated. This is the kind of a question that can best be answered by showing the customer how it works and then urging the customer to operate the machine himself.)
(If a machine is not available to demonstrate, a recapitulation of those features having to do with the operation of the machine can be done. However, this is a poor substitute and should not be done in actual practice.)

Mr. Scott: What about all those new-fangled transistors? This machine doesn't have any of those does it?

Sam: (Be careful here. The machine does have transistorized parts but before Mr. Scott's question is answered let's find out how much he knows about transistors.)

(First let's try to sell Mr. Scott on the value of transistors as an important technological advance. He probably does not know much about them and is just reacting to something new ("new-fangled".)

(If this doesn't work, then simply acknowledge thier presense in the product and indicate that the company is noted for quality and you are certain that they have passed rigid tests to meet the highest standards before they were approved for use by the manufacturer.)

Mr. Scott: O.K. Let's get to it. What does it cost?

Sam: (Stress special pricing for the introduction of a new product).

1 - 5 units - $275.000 less 20%

6 or more units - $275.00 less 20% & 5%

Mr. Scott: That's what you sell it to your other customers for? But we are one of your best customers. What's our price?

Sam: (This is the kind of remark generally made in jest between friends. Although you sometimes have to observe facial expressions, the tone of the voice etc , to be sure. An answer might be something like, "You're right about one thing. You are one of my best customers and because you are you know I wouldn't have the nerve to quote you any price - other than the lowest in town - and that's it.)

Mr. Scott: O.K. Sam, give me a quote on ten units and we'll need model 7A840 earphones for each unit. How much is that?

Sam: (That comes out to $2200. F.o.b. your warehouse with dating of 2/10', n/30. We can have it here within ten days.)

Teacher's Notes:

1) Let the students have some fun with this. The format given here need not be rigidly applied. The customer may want to improvise and ask many more questions than were presented here. Encourage students to get involved with the basic framework of this scenario.

2) The teacher may want to use a DECA Salesmanship Competitive Event Rating sheet for the sales demonstration.

3) Check with the school audio-visual director to see if this DuKane projector is available in the school. You may ask the audio-visual director to demonstrate the machine to your student prior to their sales demonstration.

4) If the DuKane equipment is not being used in the school, you might check with the audio-visual director to see if it would be possible to have the area DuKane representative come to the school and demonstrate the product to the class. He may be very interested in your class project involving his product.

Decision:

How important is accurate record keeping to an industrial salesperson?

Objectives:

Using the notes made during a sales call, you will prepare your call reports to meet the criteria of brevity, clarity and needs assessment.

Using simulated sales experiences, you will accurately complete an expense form.

Pre-Test
Post-Test

1) Describe four categories of information that one would expect to find on an industrial sales representative's call report form.

2) Describe:
   a) the importance of the expense account form to the industrial salesperson.
   b) the kinds of expenses industrial salespeople incur

3) List three business expenses that are generally reimburseable and three business expenses that are usually not reimburseable.

Decision Situation #1

As an industrial sales representative of Best Brands Inc. You have just returned from a week of traveling calling on customers and potential customers in the field.

Your sales manager is awaiting your call reports and your secretary has indicated that if you fill out your expense report today, she can get your expense check back to you in two days.

Complete your call reports for the following calls (Use call report form following this section):

1) On, 9-12-74 you made a "cold call" (not a present or previous customer) to the Expert Mfg. Co. of Wabash, Indiana. You were trying to determine if "Expert" had a need for your product line. Expert is a company selling kitchen cabinets. They have over one-hundred employees doing general office work.

   You called on Max Brown, general purchasing agent. He indicated that they do not presently have a need for your line of office copy machines but to "keep in touch" because some times they have to buy something in a hurry.

   Expert is presently using Thrift office machines almost exclusively. Brown indicated that they are very pleased with their present equipment and do not have any plans to change.

   It was difficult to get any reading of what the potential here might be, since this was the first call.

2) (9-16-74) Following up on a magazine inquiry about your new Best Brand Model 3702, you call on Credit Systems Corporation, Muncie, Ind. Mr. Jack Dugan, the purchasing agent is interested in your Model 3702.

After a demonstration, Dugan agrees to let you install the Model 3702 for a trail period of 30 days. If he likes the machines performance there may be a potential need for six more Model 3702's over the next two years.

After a promise of immediate shipment and purchase order for 6 cases of copy paper for the 3702 you depart.

3) (9-17-74) Calling on a former customer. W.T. Wiggins, Inc., Muncie, Indiana. You talk with J.R. Ingrim, Director of Purchasing. Ingrim indicates that he wouldn't buy anything from Best Brands if his life depended on it.

Ingrim states, "Your company is a cheap outfit that never did anything right." He refuses to indicate who are their present office equipment suppliers. He will not be specific as to why they no longer buy from Best Brands.

W.T. Wiggins has potential, being one of the largest companies in this part of the state.

While chatting with the receptionist, you learn that Mr. Ingrim is due to retire next month.

4) (9-18-74) Calling on Aerospace Steel, Newport, Indiana, a long-time customer, the Buyer J.T. Long indicates interest in the New Best Brand Model 3702. Long says that their engineering department has indicated that their present copy equipment does not meet their needs. He suggests that you talk with Joe Fulton, Head of the Engineering department.

Fulton was not in his office. Chatting with several members of the engineering staff you have a clearer idea of what are their requirements. Fulton did not return to his office.

5) (9-18-74) A call was made to Maxwell Corporation South Bend, Indiana, in response to a customer complaint. Purchasing agent J.R. Miller suggests that you see Mrs. Ruth Bolden, head of the Customer Services Department.

Mrs. Bolden is very upset. She claims that purchasing either bought "the wrong model office copier" for their needs or "you misrepresented to our company what this machine will do." She further states "get your machine out of here." Mrs. Bolden refuses to talk further with you.

A very short conversation with J.R. Miller finds him agreeing with Mrs. Bolden. Miller says, "I guess you'll just have to return it for credit since we can't use it here."

Maxwell is an old customer though not a major customer - Their volume has been declining in recent years.

BEST BRANDS INC.

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: _____

CUSTOMER CONTACTED: _____

ADDRESS: _____

_____

PRODUCT/S PRESENTED: _____

_____

_____

BUYER OR PURCHASING AGENT INTERVIEWED: _____

BRIEF DESCRIPTION OF CALL:

ACTION REQUIRED: _____

_____

_____

FOLLOW-UP CALL: _____

_____

BEST BRAND SALES REPRESENTATIVE

Decision Situation #2

The following notes were made during your recent trip to Indiana. Using these notes and following Best-Brand's sales expense company policies, please complete your expense report (See the following statement of expense policies and blank expense form):

9-12-74 Called on Expert Mfg., Wabash, Indiana

Breakfast $2.00

Lunch $2.45

Car Wash $1.50

Drove 210 miles (returned home)

9-16-74 Called on Credit Systems, Muncie, Indiana

Breakfast $2.40

Lunch with Jack Dugan $5.10

Dinner 145 miles

Hotel $12.30

Laundry $3.00

9-17-74 Called on W.T. Wiggins, Inc., Muncie, Indiana

Breakfast $2.25

Lunch $1.50

Dinner $4.00

Drove 180 miles

Hotel $15.20

9-19-74 Called on Aerospace Steel, Newport, Indiana and Maxwell Corporation, South Bend, Indiana.

Breakfast $2.65

Lunch with J.T. Long $5.85

Dinner $4.20

Drove 240 miles (returned home)

MEMO: To All Best-Brand Sales Representatives

SUBJECT: Company Policy Regarding Reimbursement of Sales Expenses

1) Mileage is reimbursed @$.12 per mile for business purposes only

2) Car washes & mechanical repair work are not reimburseable.

3) Breakfast, lunch and dinner can not exceed $12.00 per day. Tips are not reimburseable. Liquor or other alcoholic beverages can not be claimed.

4) Hotel or motel accomodations can not exceed $20.00 per day. Exceptions can be made with prior approval from the sales manager. Receipts for accomodations must be attached to the expenses.

5) Entertainment costs are reimburseable for legitimate customers or potential customers. The customers name and the company he represents should be noted with a reference to the call report covering the business transacted. Only reasonable and legitimate expenses with be reimbursed.

6) Business telephone calls are to be charged to your business credit cards.

7) No valet service, room service or hotel tipping costs are reimburseable.

8) Personal gifts of merchandise or money are not authorized by Best Brands Inc.

9) Credit cards are to be issued in the name of the individual and under no circumstances are to be issued in the company's name.

10) Air travel tickets are to be purchased through the company following established procedures.

BEST BRANDS INC.
SALES EXPENSE REPORT

NAME

BUSINESS ADDRESS

HOME ADDRESS

DATE	COMPANY CONTACTED	LOCATION	MEALS BREAKFAST	MEALS LUNCH	MEALS DINNER	LODGING	MILEGE @ $.12 per mile	1) TOTALS	ADDITIONAL NOTES
		TOTALS 2)							
							3) TOTAL EXPENSES		

1) ADD FIGURES HORIZONTALLY FOR DAILY TOTAL
2) ADD FIGURES VERTICALLY FOR CATEGORY TOTAL
3) TOTALS EXPENSE DUE SHOULD BE THE SAME TOTAL

Additional Activities

a) School:

1) In a small group discuss the reasons for:

-doctors keeping records of the patients

-teachers keeping records of their students

-police officers keeping records of known criminals

What do these records have in common?

Of what value are these records to the record keepers?

2) Report to the class the meaning of the "per diem" method of reimbursing expenses. List the advantages and disadvantages that per diem expense reporting has for the industrial sales person.

b) Community:

1) Estimate your travel expenses for a week (Monday to Friday) from your present location to New York City. Include:

a) personal auto mileage @ $.12 per mile

b) Hotel/Motel room rates

c) meals

d) Other expenses

Teacher Data

Pre-Test/Post-Test Key

1) The date the call was made

Name and Address of the company contacted

Individual contacted, i.e. (purchasing agent, buyer etc.)

Brief description of the call

Further action required

Technical information regarding a special order or product

Suggested time to call on the company in the future

2) a) the expense account is the procedure necessary to follow for the salesperso to recoup the money he has spent for legitimate business functions. It is a way of calculating and recording sales expenses. Each salesperson needs a record of his expenses for possible use in completing his personal income tax.

b) travel expenses, meals, entertainment, lodging and other personal services, communications expenses (telephone, telegraph, public stenographer, etc.)

3) Different companies have different policies regarding expenses that may be reimbursed and those that are not reimburseable.

generally reimburseable:	Meals lodging milege or other transportation business phone calls
generally not reimbursed:	tips gifts any unreasonable expense, i.e. (a new suit) liquor

BEST BRANDS INC. 1) TEACHER KEY

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: 9 - 12 - 74

CUSTOMER CONTACTED: Expert Mfg. Co.

ADDRESS: Wabash, Indiana

PRODUCT/S PRESENTED: full-product line

BUYER OR PURCHASING AGENT INTERVIEWED: Max Brown, General Purchasing Agent

BRIEF DESCRIPTION OF CALL:

Expert is a manufacturer of kitchen cabinets with an extensive office staff. Max Brown was not too informative about their needs and potential. This attitude is probably due to the fact that this was a first call.

ACTION REQUIRED: Continue to call at regular intervals.

FOLLOW-UP CALL: On next trip to Wabash

(Student Signature)
BEST BRANDS SALES REPRESENTATIVE

BEST BRANDS INC. 2) TEACHER KEY

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: 9 - 16 - 74

CUSTOMER CONTACTED: Credit Systems Corp.

PRODUCT/S PRESENTED: Model 3702

ADDRESS: Muncie, Indiana

BUYER OR PURCHASING AGENT INTERVIEWED: Jack Dugan, Purchasing Agent

BRIEF DESCRIPTION OF CALL:

Model 3702 is to be installed on 30 day trial. The potential is six additional 3702's over a two year period if they like the performance of the trial machine.

ACTION REQUIRED: Ship model 3702 (see separate shipping instructions)

Write order for 6 case 3702 copy paper to same company.

FOLLOW-UP CALL: Phone contact 2 weeks from above - Return visit in 30 days.

(Student's Signature)
BEST BRAND SALES REPRESENTATIVE

BEST BRANDS INC. 3) TEACHER KEY

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: 9 - 17 - 74

CUSTOMER CONTACTED: W.T. WIGGINS INC.

ADDRESS: MUNCIE, INDIANA

PRODUCT/S PRESENTED: FULL LINE

BUYER OR PURCHASING AGENT INTERVIEWED: J.R. Ingrim, Director of Purchasing

BRIEF DESCRIPTION OF CALL:

Ingrim seems impossible. He dislikes the company for reasons unknown. Wiggins has a great potential sales volume for this territory.

Ingrim is due for retierment soon. I suggest that a future call be made on his replacement.

ACTION REQUIRED: Try to determine specifically why Wiggins stopped buying from us. Try to determine what Wiggins specific needs are and plan a presentation to meet those needs.

FOLLOW-UP CALL: After Ingrim retires

(STUDENT'S SIGNATURE)
BEST BRAND SALES REPRESENTATIVE

BEST BRANDS INC. 4) TEACHER'S KEY

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: 9 - 18 - 74

CUSTOMER CONTACTED: ALROSPACE STEEL

ADDRESS: NEWPORT, INDIANA

PRODUCT/S PRESENTED: Model 3702

BUYER OR PURCHASING AGENT INTERVIEWED: J.T. Long, Buyer

BRIEF DESCRIPTION OF CALL:

Engineering may have a need for the Model 3702. It looks good. Joe Fulton, Head of the Engineering Department will make the decision. He was not available on this call.

ACTION REQUIRED: Contact Joe Fulton for an appointment. Demonstrate the 3702 as soon as possible.

FOLLOW-UP CALL: Immediately, as soon as an appointment can be made.

(STUDENT'S SIGNATURE)
BEST BRANDS SALES REPRESENTATIVE

BEST BRANDS INC. 5) TEACHER KEY

SALES REPRESENTATIVE

CALL REPORT FORM

DATE: 9 - 18- 74

CUSTOMER CONTACTED: MAXWELL CORPORATION

ADDRESS: SOUTHBEND, INDIANA

PRODUCT/S PRESENTED: CUSTOMER

COMPLAINT

BUYER OR PURCHASING AGENT INTERVIEWED: J.R. Miller, Purchasing Agent

BRIEF DESCRIPTION OF CALL:

Miller refered me to Mrs. Ruth Bolden, Head of Customer Services. She claimed that purchasing did not buy what she wanted or that I misrepresented the product when it was sold. Perhaps, I errored in not insisting that she be consulted when the order was placed.

Purchasing doesn't feel responsible. They feel the machine should be returned to us for credit. I made no committment at this point indicating that I would let them know what our decision would be.

ACTION REQUIRED: Need to discuss this with the sales manager.

FOLLOW-UP CALL: Non required - can be handled by telephone.

56 (STUDENT'S SIGNATURE)
BEST BRANDS SALES REPRESENTATIVE

BEST BRANDS INC.
SALES EXPENSE REPORT

NAME (STUDENT'S NAME) BUSINESS ADDRESS (BRANCH OFFICE - TOLEDO, OHIO) HOME ADDRESS (STUD

DATE	COMPANY CONTACTED	LOCATION	MEALS			LODGING	MILEGE @ $.12 per mi
			BREAKFAST	LUNCH	DINNER		
9-12-74	EXPERT MFG.	WABASH, INDIANA	$2.20	$2.45			$25.20
9-16-74	CREDIT SYSTEMS INC.	MUNCIE, INDIANA	2.40	5.10	4.20	12.30	17.40
9-17-74	W.T. WIGGINS INC.	MUNCIE, INDIANA	2.25	1.50	4.00	15.20	21.60
9-18-74	AEROSPACE STEEL MAXWELL CORP.	NEWPORT, INDIANA SOUTHBEND, INDI.	2.65	5.85	4.20		28.80
	TOTALS 2)		9.50	14.90	12.40	27.50	93.00

1) ADD FIGURES HORIZONTALLY FOR DAILY TOTAL 57
2) ADD FIGURES VERTICALLY FOR CATEGORY TOTAL
3) TOTALS EXPENSE DUE SHOULD BE THE SAME TOTAL ARRIVED AT EITHER HORIZONTALLY OR VERTICALLY.

3) TOTAL EXPENSES DUE 58

BEST BRANDS INC.
SALES EXPENSE REPORT

BUSINESS ADDRESS (BRANCH OFFICE - TOLEDO, OHIO) HOME ADDRESS (STUDENT'S HOME ADDRESS)

LOCATION	MEALS BREAKFAST	MEALS LUNCH	MEALS DINNER	LODGING	MILEGE @ $.12 per mile	1) TOTALS	ADDITIONAL NOTES
BASH, INDIANA	$2.20	$2.45			$25.20	$29.85	
NCIE, INDIANA	2.40	5.10	4.20	12.30	17.40	41.40	LUNCH WITH JACK DUGAN CREDIT SYSTEM
NCIE, INDIANA	2.25	1.50	4.00	15.20	21.60	44.55	
MPORT, INDIANA UTHBEND, INDI.	2.65	5.85	4.20		28.80	41.50	LUNCH WITH J.T. LONG AEROSPACE STEEL
TOTALS 2)	9.50	14.90	12.40	27.50	93.00	157.30	
					3) TOTAL EXPENSES DUE	$157.30	

CATEGORY TOTAL
BE THE SAME TOTAL
ALLY OR VERTICALLY.

Decision:

What steps need to be taken to increase sales in an existing territory?

Objectives:

Given a sales summary sheet, you will be able to:

-differentiate between established customers that your company has been successful with those that your company has not been successful with.

-see the effects of competitors who have decreased your company's total sales volume with a given customer.

You will be able to assess the strengths and weaknesses of a given list of customers and plan effective action to overcome weaknesses and increase strengths and...

-interpret the long-range pattern of Sales Volume over a five year period.

-make predictions for future sales success with individual accounts.

Pre-Test

Post-Test

a) Using the 5-year sales summaries contained in this packet, list five of the weakest accounts currently sold by Superior Sales. (Using the criterion of the the % of total purchases from Superior Sales contrasted with the % of total purchases from competitors.)

b) After a thoughtful analysis of the sales summary sheets contained in this packet, indicate why or why not you think a $500 in sales forecast for territory #6 is realistic for the upcoming year.

"Analyzing the Market to Increase Sales"

An industrial sales representative is frequently called upon to develop a plan to increase his sales. Such planning is carried out either yearly, quarterly or in some instances monthly. In addition long-term planning may be carried out for a five year period or longer.

Industrial sales representatives faced with this decision must first answer this basic question, "Where will my increased sales come from?" The information that follows is designed to help you answer this basic question.

One must first look to what he presently has in hand. These are the accounts that are presently in the market place and are established. These are called:

I. EXISTING ACCOUNTS

A. Present Customers

These are the customers who presently purchase your products. They should never be taken for granted but must be looked upon as "your customers" provided they continue to be content with your service, product quality, credit terms and delivery.

Their growth will be your growth. They will look to you to help them grow. They will expect flawless performance from you and your company in addition to fresh ideas on techniques and new more efficient operating methods.

Many of your present customers may also be buying a similar (or sometimes almost identical) product from one or more of your competitors.

Customers sometimes like to split their purchases buying the same product from one or more companies offering the same product line. This forces you and your company to stay competitive in your sales and service.

This type of arrangement can also be a source of increased business. For example, if you are presently selling Ajax Manufacturing 60% of their total need for "widgets" and your competitor is selling Ajax the remaining 40% then there is a potential for a 40% increase in Ajax's purchases. You can convince them that you should be getting all of their business. Don't forget that your competitor is trying to get the 60% that they are currently buying from you and your company - so he can increase his business too.

Finally, one should never forget the established customers that remain loyal to you and your company. They are the valuable base from which you build your sales.

B. Past Customers

These are the customers who have purchased your products in the past, but for some reason are not currently buying from you.

It may be a customer like the one described in section (A) who has decided to purchase entirely from a competitor. The customer may have had some bad experience with your company on an unkept promise, a misunderstood price quotation, or poor product-quality. There are a variety of reasons why one company will stop buying from another company. It could be simply a situation where a buyer doesn't like the salesperson.

The key to increased sales with former customers is to find out first - why they stopped buying. This sounds simplier than it actually may be. Former customers many times do not want to heal old wounds. Hard feelings may still be hard feelings. They may be very content with their present sources of supply (who haven't errored as your company once did).

Unfortunately, the former customer may be more difficult to sell that a new customer. The former customer has had experience with your company - a negative experience.

Negative experiences can be overcome. After it has been determined just what the reason is, you and your company must make a decision to what action should be taken to recapture your former customer's business.

You will have to work hard. You may have only one chance to regain the purchasing agent's confidence. It may take several invitations to lunch and one or more "test orders" to see if your company can

perform to their expectations. But, if you regain this lost business it might represent a substantial increase for you and your company.

C. Potential Users/But Not Customers

These are companies who may not know they have a need for your product. Potential markets exist for just about any manufactured product. For example, the company who has for years had an employer lick stamps and put them on their daily outgoing mail simply may not know there is a more efficient, money-saving method of metering outgoing mail. They should welcome your sales call and if you're convincing they will become a valued customer.

Perseverance, imagination and thoughtful research can help you locate potential users of your product line. Outside salesmen are inquisitive and out-going meeting all kinds of people in many different situations. They are always thinking about how their products may help someone or some company do the job better.

D. Potential Customers Presently Buying From Competitors

This potential customer is perhaps the most challenging. It is never too pleasant to purposely seek out to take another man's (your competitor) bread and butter. Some salesmen mistakingly look upon the challenge in that manner. Others simply bulldoze their way into a customer's office who is buying from a competitor

and demand to know why he isn't getting the business. Neither approach will be successful for you.

First, the free enterprise system revolves around competition. The company and it's sales representative who can be more competitive than other companys should get the order. Your competitors being in the same business you are in believe in this basic tenet of the free enterprise system.

If you can do the job better than your competition, if your price is lower, if your service is better, if your product is of a higher quality than your competitors then the order should be yours. If the competition is keen any one of these factors may be enough for the purchasing agent to decide in your favor.

Your task, where the competition is firmly in control, is to get an audience with the purchasing agent who has the ultimate decision as to what company will receive the order.

When you have been successful in getting an appointment, be certain to do your homework. Find out everything you can about the current buying arrangement: pricing, shipping allowances, discounts applying, quality of the products, service record to the account, service to the accounts customers (if applicable) and finally find out everything you can about the purchasing agent's likes, dislikes, buying motives, et

After this intense preliminary investigation of the account has been made, you must plan to meet and exceed each selling point that your competitor is now using to secure their sales.

It's not easy. Your company may not be able to better the competitor's offering. They may not find it profitable to secure this business.

However, as an industrial salesperson, looking at a potential customer in your territory you must investigate the possibility of securing this company's sales. Many times with the proper planning and preparation you will be very successful.

Decision Situation #1

The sales manager has assigned Superior Sales territory #6 to you. The sales representative who worked this territory previously quit after one year with Superior Sales.

Your sales manager has given you the summary sheets for territory #6 and has asked you to study them carefully and make some preliminary general comments about the territory.

You are asked to write out answers to the following questions:

1) What has been the overall growth pattern in your territory?

2) With each Superior sales representative averaging about $500M per year in total sales and the overall company growth averaging 10% per year - how does territory #6 compare with these averages?

3) List three catagories of businesses who are currently Superior Sales customers.

4) List the top five current customers in territory #6.

5) Which of the current customers seem to have the greatest sales potential?

6) List the former customers that you believe have the potential to become major ($10M or more per year) Superior Sales customers.

7) How would you describe the activity of your competitors in your territory? Have they been successful? Unsuccessful?

8) Based on Superior sales figures for territory #6, would you say that your customers businesses have grown or declined?

9) Which account is the largest Superior customer in territory #6? What percent of the total sales volume for territory #6 does this sales volume represent?

10) List two sources for additional sales other than present customers and previous customers.

Decision Situation #2

Your sales manager has been impressed with your thoughtful analysis of the summary sheets.

You have now been directed to prepare a yearly strategy plan indicating the plan you intend to follow to reach your next year's quota of $500M for territory #6.

You should answer the following questions (in addition to any strategy or comments of your own).

1) What is the greatest strength of territory #6, its greatest weakness?

2) Which accounts will you concentrate on to build your sales volume?

3) How realistic is the $500M quota?

4) List some strategies for recovering business lost to your competitors.

5) How much increased sales would you forecast will come from previous Superior customers?

6) How many new major customers were added in the last fiscal year? Do you see a greater number being added in the upcoming year?

7) What action will you take to keep informed of new businesses moving into your territory, market shifts, mergers, and changing ownerships, as sources of potential sales?

8) Summarize the customers and potential customers that you believe will help you meet your quota giving the specific increases for each one.

Superior Sales
Sales Territory #6
5 Year Sales Summary
Current Major Customers[2)]

CUSTOMER	1969 - 70		1970 - 71		1971 - 72		1972 - 73		1973 - 74		Notes
	$Volume	%[1)]	$Volume	%	$Volume	%	$Volume	%	$Volume	%	
ANDERSON BOARD OF EDUCATION	4M	100%	4M	100%	6M	100%	8M	100%	10M	100%	
ACROPOLIS MFG.	12M	100%	13M	100%	13M	100%	10M	80%	10M	80%	
BADEN ACCOUNTING	10M	100%	10M	100%	12M	100%	12M	100%	12M	100%	
BEST-BUY INSURANCE	7M	100%	7M	100%	8M	100%	9M	100%	10M	100%	← Growing Rapidly
CAMDEN MFG.	2M	100%	5M	100%	6M	100%	10M	100%	12M	100%	
DIVERSIFIED CREDIT	4M	50%	4M	50%	6M	50%	7M	50%	12M	50%	
DIXIE MANUFACTURING	22M	100%	26M	100%	27M	100%	12M	30%	13M	30%	← Competition is Hurting u
ELLSWORTH CORP.	20M	80%	21M	80%	24M	80%	20M	80%	15M	50%	
FIRST NATIONAL BANK	18M	100%	20M	100%	28M	100%	30M	80%	32M	80%	
FEDERAL SAVINGS	14M	100%	14M	100%	15M	100%	15M	100%	16M	100%	
HOLIDAY BOARD OF EDUCATION	2M	50%	3M	50%	2M	50%	5M	70%	10M	80%	
KENDALL CORP.	20M	80%	20M	80%	15M	70%	12M	50%	10M	50%	← Competitor's Fam Owns
LEMANS MFG.	15M	100%	15M	100%	16M	100%	17M	100%	12M	100%	
MAXWELL INC.	10M	100%	10M	100%	11M	100%	10M	100%	10M	100%	
NATIONAL INSURANCE	42M	70%	48M	70%	54M	70%	60M	70%	50M	50%	
OMAHA TRUST CO.	24M	50%	20M	50%	-	0%	10M	30%	12M	30%	← Difficult to get along wi
PLEASANT HOMES	-	0%	-	0%	8M	100%	10M	100%	10M	100%	
RELIABLE PRODUCTS	18M	100%	20M	100%	21M	100%	24M	100%	12M	40%	
U.S. GOVERNMENT a) ANDERSON POST OFFICE	12M	100%	12M	100%	14M	100%	18M	100%	18M	100%	
b) ANDERSON AIR FORCE BASE	82M	50%	90M	50%	101M	50%	75M	30%	60M	20%	← Purchas by Closed Bid Only
TOTALS	338M		362M		387M		374M		346M		
% INCREASE/DECREASE FROM PREVIOUS YEAR	+3%		+7%		+7%		-3%		-7%		

1) % Represents the Percent of the Customer's Total Requirement that was supplied by Superior Sales.

2) A "Major" Customer is any Customer who has purchased from Superior Sales in excess of $10M in the last recorded Fiscal Year 1972-73.

Superior Sales
Sales Territory #6
5 Year Sales Summary
Former Customers[1]

CUSTOMER	1969 - 70 $Volume	1970 - 71 $Volume	1971 - 72 $Volume	1972 - 73 $Volume	1973 - 74 $Volume	Note
ALBERT BROS. MFG.	-	3M	3M	-	-0-	
ATLANTIC MFG.	-	-	-	4M	-0-	
ALPONSO PLUMBING	3M	-	-	-	-0-	
BRADY & SON, INC.	-	4M	5M	-	-0-	
CRAMER-FOSTER, MFG.	3M	3M	3M	3M	-0-	
EAGLE AIRCRAFT	6M	5M	-	-	-0-	Out of Busines
FEDERAL CREDIT, INC.	-	-	3M	-	-0-	
GEORGE WASHINGTON, INC.	4M	-	-	-	-0-	
HAMILTON CORP.	5M	4M	5M	6M	-0-	
KAINE & SMITH	5M	-	-	3M	-0-	
LARADO APPLIANCES	3M	3M	3M	3M	-0-	
MASON BROS.	3M	-	-	-	-0-	Out of Busines
MABLETON BANK	5M	6M	6M	8M	-0-	
NORTON REALTY	3M	3M	-	-	-0-	
NARDEN STEEL	8M	10M	10M	8M	-0-	
PLACID ENGINEERING	12M	10M	20M	-	-0-	
RURAL MFG.	3M	4M	3M	-	-0-	
STONEWALL HOMES	-	3M	-	-	-0-	
SECURITY INSURANCE	-	-	4M	6M	-0-	
WALTON CORPORATION	10M	12M	12M	10M	-0-	
WALLACE MFG.	-	-	6M	7M	-0-	

1) A "Former" Superior Sales Customer is defined here as a firm who purchased in excess of $3M in one or more of the last four fiscal years but have not been active in Fiscal Year 73-74.

Additional Activities

a) School:

1) Additional research and reading may be accomplished by consulting:

Mauser, Ferdinand F., Salesmanship - A Contemporary Approach. New York: Harcourt, Brace Jovanovich Inc. 1973.

Carney, Gerald J., The Complete Field Sales Program. New York: American Management Associations, 1973.

Goodman, Charles S., Management of the Personal Selling Function. New York: Holt, Rinehart & Winston, 1971.

H. Robert Dodge, Field Sales Management. Dallas, Texas: Business Publications Inc., 1973.

2) With your teacher's help and any additional outside resources that you may wish to use report on the similarities between long-range sales planning in the business world and long-range planning in education or government.

OR

Discuss with your teacher the relationship of sales planning to the company's production of the product, and it's profit responsibility to it's stockholders.

b) Community

1) Using the attached sales summary sheets talk with an industrial sales representative in your community in an effort to find out how close the summary sheets actually are to the real world model.

From the same industrial sales representative, find out what his role is in analyzing his territory in an effort to increase business. Report to the class on your findings.

2) Determine from your employer, what events happening in your local community and the nation influence the growth of his business. Make a list of these events and report back to your class.

3) Interview a securities consultant at a local brokerage firm and ask him how companies are recognized as being growth companies. Also ask him what some of the reasons are for companies failing in business.

Teacher Data

Pre-Test/Post-Test Key

a) Using only the criterion of the percent of participation by Superior Sales compared to the customer's total purchasing volume, the five weakest accounts would be:

ANDERSON AFB	$60M	20%
NATIONAL INSURANCE	50M	50%
RELIABLE PRODUCTS	12M	40%
DIXIE MFG.	13M	30%
OMAHA TRUST	12M	30%

b) Yes, it is realistic. (See Teacher Data, Key #2 - Question #3).

Teacher Data

Key: Decision Situation #1

The following answers are, for the most part, objective. However, if the student can support his answer rationally even though it may vary from the answer given here, the student's answer may be considered correct.

1) The growth pattern has been somewhat erratic with a noticeable decline in sales in the past two fiscal years. It would be beneficial to get current figures for the fiscal year we are in now.

2) Territory #3 is considerably below the company growth pattern (10% compared to - 7%) and about 20% below the average sales volume expected for Superior Sales representatives.

3) Manufacturers, school boards, U.S. Government agencies, banks and other various businesses (realtors, insurance companies) make up Superior Sales customers.

4)

Anderson Air Force Base	60M
National Insurance	50M
First National Bank	32M
Anderson Post Office	18M
Ellsworth Corporation	15M

5)

CURRENT CUSTOMER	LAST YEARS SALES $	SUPERIOR'S PARTICIPATION 1973-74	POTENTIAL (ESTIMATE) $
DIVERSIFIED CREDIT	12M	50%	24M
DIXIE MANUFACTURING	13M	30%	43M
ELLSWORTH CORP.	15M	50%	30M
NATIONAL INSURANCE	50M	50%	100M
OMAHA TRUST	12M	30%	40M
RELIABLE PRODUCTS	12M	40%	30M
ANDERSON AFB	60M	20%	300M
TOTALS	174M*		567M

*Of the Seven Current Customers listed here, Superior Sales is currently providing only 30.7% of their total requirements.

6)

FORMER CUSTOMER	PREVIOUS SALES
HAMILTON CORP.	6M
MABLETON BANK	8M
NARDEN STEEL	8M
PLACID ENGINEERING	20M
WALTON CORPORATION	10M
TOTAL	52M

Criteria for potential in this group was based on:

1) frequency of years each company was a Superior customer.

2) the amount of sales volume that was transacted.

7) The competition has apparently been moderately to very successful. There is no doubt that the competition has made inroads with established Superior customers. Among those customers that have shown declining sales volume as a result of increased purchases from the competition are:

ACROPOLIS MFG.	-20%	-$ 3M
DIXIE MFG.	-10%	- 13M
ELLSWORTH CORP.	-30%	- 5M
FIRST NATIONAL BANK	-20%	- 8M
KENDALL CORP.	-20%	- 6M
NATIONAL INSURANCE	-20%	- 20M
OMAHA TRUST	-20%	- 6M
RELIABLE PRODUCTS	-60%	- 18M
ANDERSON AFB	-30%	- 90M

8) With two exceptions (Lemans Mfg. and Omaha Trust) all of the rest of Superior's current major customers have steadily increased their sales volume. However, as several of Superior's customers have grown, they have decreased the amount of merchandise purchased from Superior.

9) Anderson Air Force Base is the largest Superior account in territory #6 ($60M per year), roughly 17% of the total sales volume for this territory.

10) There are several additional sources for new customers. Some of these would be: new businesses, established businesses not now having a need for your products suddenly creating a need as a result of diversification, total new markets being created, and mergers, acquisitions or new ownership of a business.

Teacher Data

Key: Decision #2

1) The strength is in the $346M sales volume that is currently in hand. The additional strength lies in the potential of the current accounts. All are healthy and growing. The existing potential is there. Superior just isn't getting enough of the current business.

The major weakness is in the declining percentage of each account's business that Superior Sales is receiving. This is especially true of the larger accounts. Superior has done a good job of getting 100% of the $10M per year accounts when the time might be better spend getting 100% of the $50M and $60M per year accounts.

2) First and #1 priority should be Anderson AFB. Superior has reached an all-time low of 20% of their volume - which at $60M is still the top producing account in territory #6.

In an effort to increase participation where Superior has been losing ground the first priority should be to concentrate on:

CURRENT CUSTOMER	$ LAST YEARS SALES	SUPERIOR'S PARTICIPATION	$ FORECAST FOR NEXT YEAR
ANDERSON AFB	60M	20%	to +90M (50%)
NATIONAL INSURANCE	50M	50%	to +25M (75%)
OMAHA TRUST	12M	30%	to + 8M (50%)
DIXIE MFG.	13M	30%	to + 9M (50%)
RELIABLE PRODUCTS	12M	40%	to + 3M (50%)
		TOTAL	135

These should be designated Target Accounts for the next year's business.

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3) It seems to be realistic. If reasonable gains can be made in the five most promising accounts that Superior now is selling (see #2) these same five accounts could account for $135M additional sales (added to last years figures would ueild $481M. Additional planning (following) could help you easily exceed $500M.

4) First, call on them. Find out why they are buying less from Superior or not buying at all. Be certain, the information is accurate - that the reason given is not just a disguise for a deeper more critical reason.

Make amends. Let the customer know that you and Superior value his business and you are prepared to make every reasonable effort to get it. Ask for a fresh start.

Go back to your office and plan. Analyze the problem carefully and make specific plans to recapture the lost sales.

Return to the customer with a super presentation and a firm committment to follow-through in the future.

A new sales representative has an advantage. He wasn't responsible for what happened in the past. Take advantage of this psychological attitude.

5) There are five former customers that appear to have potential:

HAMILTON CORP.	6M	(previous purchases)
MABLETON BANK	8M	"
NARDEN STEEL	8M	"
PLACID ENGINEERING	20M	"
WALTON CORPORATION	10M	"
TOTAL	52M	

If you are successful in recapturing 50% of this lost sales volume, you would have an increase of $26M. This is not unrealistic since all of these customers were sold on Superior Sales as a source of supply at one time. You need only to mend fences and build their confidence once more.

6) Apparently none. The records do not show any major customers added in the last year. A secondary goal might be to increase some of the minor accounts to major customer status.

7) Knock on doors. Let people know you're hungry. Join service clubs, civic organizations, trade associations and social organizations where you will meet present customers and potential customers.

Check with local Chamber of Commerce officials periodically to see what new industry may be coming into the community.

Read the local newspapers. Subscribe to the Wall Street Journal, Business Week and similar business - oriented publications.

8) Here is your sales forecast for the upcoming fiscal year:

a)	Increases through greater participation with current customers (See #2 Target Accounts)	$135M
b)	New Sales from previous customers (See #5)	26M
c)	New business in community	10M
d)	Building minor accounts into major accounts	10M
		181M Forecasted Increase
		+ 346M Last Year's Sales
		$527M Forecast for Next Fiscal Year

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